

PRELIMINARY TITLE REPORT

US DEPARTMENT OF FORESTRY
c/o MALHEUR NATIONAL FOREST
431 PATTERSON BRIDGE RD.
JOHN DAY, OR 97845
Attn: PAM BROWN

August 1, 2006
Report #2
Escrow Number :
Escrow Officer:
Title Number : 0016948
Title Officer : STAN R. FALLEY

Policy or Policies to be issued:	<u>Liability</u>	<u>Premium</u>
OWNER'S STANDARD COVERAGE		\$200.00
ALTA RESIDENTIAL EXTENDED (SIMULTANEOUS)		\$160.00

End. ALTA 9	\$ 75.00
End. 8.1, 116	<u>\$ 0.00</u>
EXTENDED PREMIUM	\$235.00

We are prepared to issue 1992 ALTA title insurance policy(ies) of CHICAGO TITLE INSURANCE COMPANY of OREGON, in the usual form insuring the title to the land described as follows:

A parcel of land located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 7, Twp. 23 S., R. 31 E., W.M., City of Burns, Harney County, Oregon, more particularly described as follows:

Beginning at the Northeast corner of Block "A", Second Addition, City of Burns Harney County, Oregon;
thence East 80 feet;
thence South 150 feet;
thence West 80 feet;
thence North 150 feet to the point of beginning.

Vestee:

THE UNITED STATES OF AMERICA

Dated as of July 10, 2006 at 8:00 A.M.

Schedule B of the policy(ies) to be issued will contain the following general and special exceptions unless removed prior to issuance:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Easements, liens, encumbrances, interests or claims thereof which are not shown by the public records. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

4. (a) Unpatented mining claims; (b) Reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Water rights, claims or title to water whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
5. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law not shown by the public records.

SPECIAL EXCEPTIONS:

Taxes assessed under Code No. 1-1 Account No. 4066
Map No. 23S 31E 07DB Tax Lot 1800

The 2005-2006 Taxes: EXEMPT.

6. Reservation of minerals, in deed from Oregon & Western Colonization Company, a corporation, as to a full interest therein
Recorded: February 7, 1912
Book/Page: "N"/615, Deed Records.

The mineral interest or excepted above has not been followed out and subsequent transactions affecting said interest or taxes levied against same are not reflected in this title evidence.

7. Any statutory lien for labor or material which now has gained or hereafter may gain priority over the lien of the insured mortgage.
8. Persons in possession or claiming the right of possession.

NOTE: The property address as shown on the Assessor's Roll is:
337 East E Street, Burns Or. 97720

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

AmeriTitle

By: _____
Stan Falley

"Superior Service with Commitment and Respect for Customers and Employees"